

STATE SENATOR • GILDA Z. JACOBS • 14TH DISTRICT

Jacobs Press Release

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Democratic Lawmakers, Governor Announce Plan to Protect Michigan Jobs

New bills would discourage outsourcing, promote responsibility and growth

LANSING—Unfair federal trade policies and state tax incentives that promote the outsourcing of Michigan jobs continue to hurt working families, but Governor Granholm and Democratic legislators are once again presenting innovative plans to protect Michigan jobs and workers. Today, Granholm and Senate and House lawmakers announced legislation to create the Michigan Corporate Responsibility Act, which would prohibit state support of companies that fail to meet job creation, pension, and international worker rights standards.

“Holding corporations accountable to their commitments is the only way we can guarantee that tax breaks will create jobs here rather than in China,” said Sen. Gilda Jacobs (D-Huntington Woods). “The new Corporate Responsibility Act will level the playing field to help business keep new jobs here at home.”

Should the Corporate Responsibility Act become law, economic development benefits including tax credits, abatements loans, and grants would not be available to companies that are found to participate in any of the following activities:

- The company, or any of its officers have been convicted in the past 15 years of a criminal offense related to performance of a previous state contract or involving business integrity, including embezzlement, theft, forgery, bribery and others;
- The company uses economic development funds to outsource jobs;
- The business has incorporated in a tax haven country since September 11, 2001;
- The business fails to comply with international workers’ rights standards or U.S. pension laws.

The Act would also require the Department of Management and Budget to consider all of the above standards in addition to cost and economic impact to the state when contracting for products and services.

“We are blessed in Michigan with countless businesses striving to be good corporate citizens,” said Granholm. “But those who are bad actors – who incorporate off-shore to avoid paying taxes or violate U.S. pension laws and international labor standards – should not be allowed to use our tax dollars to do it. This legislative package will ensure that Michigan tax dollars are used to create and protect jobs here at home.”

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State Senator Gilda Jacobs represents the 14th Senate District, which includes Farmington, Farmington Hills, Ferndale, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, and Southfield. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.